



January 30, 2004

HOUSE BILL No. 1114

DIGEST OF HB 1114 (Updated January 27, 2004 7:33 pm - DI 92)

Citations Affected: IC 6-2.5.

Synopsis: Sales tax on bundled telecommunication services. Provides that in a sale of bundled telecommunication services, which include both taxable and nontaxable services, the part of the services not ordinarily subject to the state sales tax is taxable unless the provider can reasonably identify the nontaxable part based on the provider's regularly kept business records.

Effective: Upon passage.

Frenz

January 13, 2004, read first time and referred to Committee on Ways and Means.
January 29, 2004, reported — Do Pass.

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HB 1114—LS 6564/DI 101+



January 30, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1114

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-4-6, AS AMENDED BY P.L.104-2002,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 6. (a) As used in this section,
4 "telecommunication services" means the transmission of messages or
5 information by or using wire, cable, fiber optics, laser, microwave,
6 radio, satellite, or similar facilities. The term does not include value
7 added services in which computer processing applications are used to
8 act on the form, content, code, or protocol of the information for
9 purposes other than transmission.
10 (b) A person is a retail merchant making a retail transaction when
11 the person:
12 (1) furnishes or sells an intrastate telecommunication service; and
13 (2) receives gross retail income from billings or statements
14 rendered to customers.
15 (c) Notwithstanding subsection (b), a person is not a retail merchant
16 making a retail transaction when:
17 (1) the person provides, installs, constructs, services, or removes

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1 tangible personal property which is used in connection with the
 2 furnishing of the telecommunication services described in
 3 subsection (a);

4 (2) the person furnishes or sells the telecommunication services
 5 described in subsection (a) to another person described in this
 6 section or in section 5 of this chapter;

7 (3) the person furnishes telecommunications services described
 8 in subsection (a) to another person who is using a prepaid
 9 telephone calling card or prepaid telephone authorization number
 10 described in section 13 of this chapter; or

11 (4) the person furnishes intrastate mobile telecommunications
 12 service (as defined in IC 6-8.1-15-7) to a customer with a place of
 13 primary use that is not located in Indiana (as determined under
 14 IC 6-8.1-15).

15 **(d) Subject to IC 6-2.5-12 and IC 6-8.1-15, and notwithstanding**
 16 **subsections (a), (b), and (c), if charges for telecommunication**
 17 **services not taxable under this article are aggregated with and not**
 18 **separately stated from charges subject to taxation under this**
 19 **article, the charges for nontaxable telecommunication services are**
 20 **subject to taxation unless the service provider can reasonably**
 21 **identify the charges not subject to the tax from the service**
 22 **provider's books and records kept in the regular course of**
 23 **business.**

24 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1114, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 27, nays 0.

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